

MICHIGAN STATE HOSPITAL FINANCE AUTHORITY

Description of Principal Resolutions

Preliminary Resolution Concerning Hospital Revenue Bonds

The preliminary resolution usually provides that the Authority's Authorized Officers are authorized to:

1. Approve the hospital's selection of one or more underwriters of the bonds.
2. Coordinate the preparation and distribution of a preliminary official statement and all ancillary documents necessary for the issuance of the bonds.
3. Negotiate the terms of the loan.
4. **Negotiate the terms of the bonds.**
- 5.* Seek exception from prior approval from the Department of Treasury.
- 6.* Publish a public notice, hold a hearing and seek approval from the Governor.
- 7.* Deem final the Official Statement

***Please note that items 5, 6 and 7 are also authorized in a General Operating Resolution giving the Authority's Authorized Officers the power to take such action without a Preliminary Resolution.**

Resolution to Authorize The Issuance of Bonds

An authorizing resolution usually provides for:

1. A determination of compliance with the Act.
2. Authorization to issue the bonds and make the loan.
3. Approval of the documents.
4. Authorization for Authority Officers and Member to execute documents, deliver the bonds and close the loan.
5. Approve the Trustee and Escrow Agent and Remarketing Agent, where applicable.
6. The amount, rate and terms of the bonds are either
 - a. **Approved in their final form, if negotiated as authorized by the Preliminary Resolution, prior to the Authorizing Resolution. This is sometimes called a "Sales Resolution" or,**
 - b. **Approved in conditional form with the terms of the bonds approved subject to limits. This occurs when the terms of the bonds have not been negotiated prior to the Authorizing Resolution. This is sometimes called a "Parameters Resolution".**